

2007

(This form can only be completed by the buyer. This is not a remittance document.)

593-I

Part I – Buyer's Information

Return this form to your escrow company.

Name (include spouse, if jointly purchased – see instructions – type or print)			SSN or ITIN
			Spouse's SSN or ITIN (if jointly purchased)
Address (number and street, PO Box, rural route, apt. no., or PMB no.)			<input type="checkbox"/> CA Corp. no. <input type="checkbox"/> FEIN
City	State	ZIP Code	Daytime telephone number ()
Property address (if no street address, provide parcel number and county)			Note: If you do not furnish your tax ID number, this agreement is void. Ownership percentage _____ %

Part II – Seller's Information

Name (include spouse, if jointly owned – see instructions – type or print)	SSN or ITIN
	Spouse's SSN or ITIN (if jointly owned)
Mailing address (number and street, PO Box, rural route, apt. no., or PMB no.)	<input type="checkbox"/> CA Corp. no. <input type="checkbox"/> FEIN
City	State
ZIP Code	Note: If you do not furnish the seller's tax ID number, this agreement is void.

Part III – Installment Agreement

Attach a copy of the signed promissory note (showing the installment payment requirement) to this form. If the seller has elected and certified an alternative withholding amount, attach an executed copy of seller's certification of Form 593-B, Real Estate Withholding Tax Statement.

Part IV – Buyer’s Agreement to Withhold (Be sure to read the “Buyer” information below before you sign.)

Under penalties of perjury, I hereby agree to withhold on **each principal** payment for the above shown California real property to the above seller at the rate of 3 1/3% of each principal payment, or the installment withholding percentage specified by seller according to box 9 of seller's election and certification on Form 593-B, Real Estate Withholding Tax Statement. I will complete Form 593, Real Estate Withholding Remittance Statement, and Form 593-B for each principal payment and send one copy of each to the Franchise Tax Board along with the withholding payment, and give two copies of Form 593-B to the seller. I will send each withholding payment to the Franchise Tax Board by the 20th day of the month following the month of the installment payment. If the terms of the installment sale, promissory note, or payment schedule change, I will promptly inform the Franchise Tax Board. I understand that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance. I also understand that completing and signing this form will subject me to withholding penalties if I do not withhold on each principal payment and do not send the withholding along with Forms 593 and 593-B to the Franchise Tax Board by the due date, or if I do not send two copies of Form 593-B to the seller by the due date.

Buyer's name (if the buyer is not an individual, buyer's agent's name and title) (type or print) _____

Buyer's signature _____ Date: _____

Buyer's spouse's name (if on title) _____

Buyer's spouse's signature (if applicable) _____ Date: _____

Buyer: If you sign this agreement, make a copy of this form. Make sure you copy the back so you will have the instructions for withholding on subsequent payments. Give the original along with copies of the promissory note and seller's certified Form 593-B to your escrow officer who should mail them in to the Franchise Tax Board. Your escrow officer will withhold on the first installment payment. You must withhold on **all** subsequent principal payments (including payoff or balloon payments). Do not complete this form unless you are willing to either withhold 3 $\frac{1}{3}$ % for each installment payment or the installment withholding percentage specified by seller according to box 9 of seller's election and certification on Form 593-B, Real Estate Withholding Tax Statement. Complete Forms 593 and 593-B, **and** mail the forms and payment to the Franchise Tax Board for **each** principal payment.

Note: This agreement is between the buyer and the Franchise Tax Board. Neither the seller nor the buyer may modify the terms of the agreement.

If you choose not to sign this agreement, instruct your escrow officer to withhold either the full 3 1/3% of the total sales price or the alternative withholding amount certified by seller on box 8 of Form 593-B. You will not be required to withhold on subsequent installment payments.

Escrow Officer: If this is an installment sale and the buyer has agreed to withhold on each principal payment instead of withholding on the full amount at the time of transfer, withhold only on the first installment payment in escrow. Make a copy of this form for your records. Attach the original Form 593-I, a copy of the promissory note, and seller's certified Form 593-B, and send to Franchise Tax Board with Form 593 and the withholding payment.

Instructions for Form 593-I

Real Estate Withholding Installment Sale Agreement

Purpose

When California real estate is sold on an installment basis, the buyer must withhold either 3¹/₃% of the total sales price or the alternative withholding amount certified by seller on box 8 of Form 593-B, Real Estate Withholding Tax Statement. However, the seller can ask the buyer to withhold on each principal payment rather than withholding the full amount at the time escrow closes. Normally, to comply with an installment sale agreement, the buyer agrees to withhold on each principal payment. If the buyer chooses this method, the buyer must agree either to withhold 3¹/₃% on each principal payment or the installment withholding percentage specified by seller according to box 9 of seller's election and certification on Form 593-B.

If you are the buyer and plan to withhold on each principal payment, complete Form 593-I, and have your escrow officer send the completed Form 593-I, a copy of the promissory note, seller's certified Form 593-B, and a completed Form 593, to the Franchise Tax Board (FTB) with the withholding on the first installment payment. If you do not complete Form 593-I and send it to us, either the full 3¹/₃% of the total sales price or, pursuant to seller's certification on Form 593-B the alternative withholding amount certified on box 8 of Form 593-B, must be withheld.

If you are the buyer and you do not plan to withhold on each principal payment, do not complete this form. Instruct your escrow officer to withhold either the full 3¹/₃% of the total sales price or, pursuant to seller's certification on Form 593-B, the alternative withholding amount certified on box 8 of Form 593-B. You will not have a withholding requirement on subsequent installment payments.

Buyer Instructions

Complete all four parts of Form 593-I.

Part I – Buyer's Information

Enter your name as it is shown on the escrow instructions. Each buyer agreeing to withhold on individual payments instead of withholding the full amount at the time of sale must complete a separate Form 593-I. However, if you are purchasing the property with your spouse and both of you will be on the promissory note, then include both of your names, social security numbers or individual taxpayer identification numbers, and signatures on one form. The buyer's taxpayer identification number (social security number or individual taxpayer identification number if an individual) is required for the agreement to be valid.

Part II – Seller's Information

Enter the seller's name as it is shown on the escrow instructions. Use a separate Form 593-I for each seller included on the promissory note. However, if the sellers are husband and wife and both of them will be on the promissory note, then include both of their names and social security numbers or individual taxpayer identification numbers on one form. The seller's taxpayer identification number (social security number or

individual taxpayer identification number if an individual) is required for the agreement to be valid.

Part III – Installment Agreement

Attach a copy of the signed promissory note (showing the installment payment required) and seller's signed certification of Form 593-B (if seller elected this method), to this form or this agreement will not be valid.

Part IV – Buyer's Agreement to Withhold

By signing this agreement, you agree to:

- Authorize the escrow officer to withhold only on the first installment payment,
- Withhold 3¹/₃% on all subsequent installment principal payments or the installment withholding percentage specified by Seller according to box 9 of seller's election and certification on Form 593-B,
- Give two copies of Form 593-B to the seller by the 20th day of the month following the month of the installment payments,
- Send each withholding payment along with the completed Forms 593 and 593-B (you need not obtain seller's signature on each subsequent and completed Form 593-B) to the FTB by the 20th day of the month following the month of the installment payment (see information below on interest and penalties), and
- Promptly inform the FTB if the terms of the installment sale, promissory note, or payment schedule change.

If you sign this agreement, make a copy of this form. Make sure you copy the back so you will have the instructions for withholding on subsequent payments. Give the original, with a copy of the promissory note, and a completed Form 593-B, to your escrow officer.

When you make subsequent installment payments, withhold 3¹/₃% of the principal payment or the installment withholding percentage specified by seller according to box 9 of seller's election and certification on Form 593-B. **You must complete Forms 593 and 593-B for each withholding payment.** However, you do not need to obtain the seller's signature on each subsequent Form 593-B. When you send the withholding on the final installment payment, write "Final Installment Payment" on the bottom of Form 593. You can get Forms 593 and 593-B by:

Internet: **www.ftb.ca.gov**
Phone: **(888) 792-4900**
Mail: TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

We update our forms annually, so make certain you use the most current form. For more information on withholding on installment payments, see the instructions for Forms 593 and 593-B or call the Withholding Services and Compliance Section at **(888) 792-4900** (US toll free) or (916) 845-4900 (not toll-free).

Escrow Officer Instructions

If the buyer has agreed to withhold on each principal payment instead of withholding on the full amount at the time of transfer, withhold either 3¹/₃% of the first installment payment or the installment withholding percentage specified by seller according to box 9 of seller's election and certification on Form 593-B. Make a copy of this form for your records. Send the completed Form 593-I, a copy of the promissory note, seller's certified Form 593-B, and a completed Form 593 to the FTB along with the required withholding amount on the first installment payment.

Refer to Form 593 and Form 593-B instructions for further information.

Interest and Penalties

Interest will be assessed on late withholding payments and is computed from the date due to the date paid.

If the real estate escrow person does not notify the buyer of the withholding requirements in writing, the penalty is the greater of \$500 or 10% of the required withholding.

If the buyer (after notification) or other withholding agent does not withhold, the penalty is the greater of \$500 or 10% of the required withholding.

If the buyer or other withholding agent does not furnish complete and correct copies of Form 593-B to the seller by the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or 10% of the required withholding.

If the buyer or other withholding agent does not furnish complete and correct copies of Form 593-B to the FTB by the due date but does file them within 30 days of the due date, the penalty is \$15 per Form 593-B. If Form 593-B is filed more than 30 days after the due date, the penalty is \$50 per Form 593-B. If the failure is due to an intentional disregard of the requirement, the penalty is the greater of \$100 or 10% of the required withholding.

Additional Information

Assistance for Persons with Disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments, call:
TTY/TDD (800) 822-6268

Asistencia Telefonica y en el Internet

Dentro de los Estados Unidos,
llame al (800) 852-5711
Fuera de los Estados Unidos,
llame al (916) 845-6500
(cargos aplican)

Sitio en el Internet: **www.ftb.ca.gov**

Asistencia para Personas Discapacitadas

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos pueden llamar al:

TTY/TDD (800) 822-6268